

THE MYSORE LEGISLATIVE ASSEMBLY

TWENTY-EIGHTH DAY

Wednesday, 5th April 1961

The House met in the Assembly Hall, Vidhana Soudha, Bangalore at One of the Clock.

Mr. SPEAKER (Sri S. R. KANTHI, B.A., LL.B.), in the Chair.

STARRED QUESTIONS

(to which oral answers were given).

PRODUCTION TARGET OF GOVERNMENT PORCELAIN FACTORY IN 1958-59 AND 1959-60.

* Q.—229. Sri J. B. Mallaradhya (Nanjangud).—

Will the Government be pleased to state:—

(a) the production target fixed for the years 1958-59, 1959-60 in respect of the Government Porcelain Factory and the target reached in these years;

(b) the value of stock of finished products lying unsold during the years 1958-59, 1959-60, and at the end of December 1960;

(c) the extent of profit earned or loss sustained by the factory during the years 1958, 1959, and 1960;

(d) whether it is proposed to hand over the management of this concern to a foreign firm, and if so, the reasons therefor?

A.— Sri B. D. JATTI (Chief Minister).—

(a) Production target for 1958-59 and 1959-60 was 210 tons per month or 2,500 tons per year.

Actual production was 1,650 tons for the year 1958-59 and 1,901 tons for the year 1959-60.

(b) The value of stock of finished products unsold is furnished below:—

Year	Value
	Rs.
1958-59	25,27,059
1959-60	49,77,756
31-12-60	49,71,341

(Sri B. D. JATTI)

(c) Yearwise losses are as below :—

	Rs.
1957-58	20,03,294
1958-59	7,13,589
1959-60	2,06,242

(d) No.

Sri J. B. MALLARADHYA.—From the figures furnished, it is obvious that no action has been taken during the last three years to dispose of the dead stock remaining idle. Nearly 50 lakhs worth of idle stocks have accumulated. May I know what steps have been taken to clear them?

†Sri B. D. JATTI.—The latest position is, including the current months production, the stocks are worth only 20 lakhs. So necessary action has been taken to reduce the stocks.

Sri J. B. MALLARADHYA.—On the date of this answer, that is, 8-2-1961 the stocks were of the order of 49 lakhs. Does it mean that during this short period of two months, nearly 25 lakhs worth of stocks have been cleared.

Sri B. D. JATTI.—Yes, Sir. That is correct.

Sri G. B. SHANKAR RAO — May I know the reason for this wide disparity between the targets set and actual production.

Sri B. D. JATTI.—According to the agreement with the N. G. K. from the date of the operating of the factory, within a period of two years, we will have to reach the target. We cannot get at the target even from the beginning of the factory.

Sri G. VENKATAI GOWDA.—In computing the loss per year, may I know whether the unsold products have been taken into account?

Sri B. D. JATTI.—On the stocks we have to pay rate of interest at 5%. That is calculated.

Sri G. VENKATAI GOWDA.—My question is if the unsold products have been taken into account in calculating the loss?

Sri B. D. JATTI.—The loss is the nett loss.

Sri S. D. KOTHAWALE.—May I enquire why so much of finished goods accumulated at the factory during 1958-1960.

Sri B. D. JATTI.—The metal parts were not available easily and we were to apply for import licence. The Government of Mysore did its level best. We got the licence only in December 1960. Now it has been possible to sell the stocks.

†Indicates that the remarks or speeches have not been revised by the member concerned.

Sri J. B. MALLARADHYA.—When important metal parts required for the insulators were not available, may I know why they were produced in such large quantities?

Sri B. D. JATTI.—At that time there was no difficulty regarding metal parts. Ultimately difficulty developed in respect of securing import licence.

Sri J. B. MALLARADHYA.—What is the date on which these parts began to become available. At the end of 1960, the value of stocks lying unsold was worth 49 lakhs.

Sri B. D. JATTI.—We get the licence in December 1960.

Sri G. N. PUTTANNA.—Is the Government aware that the porcelain factory is manufacturing articles which are not easily marketable and production has been going on without any idea of likely demand.

Sri B. D. JATTI.—That is not at all correct. If the Hon'ble Member wants correct information as to what the factory is producing, I can say that it was producing 11 KV insulators. Now attempts are being made to revise the proportion of 11 KV and concentrate on higher voltage insulators. They are in demand. Now there is no difficulty.

Sri G. N. PUTTANNA.—Is it a fact that nearly 1½ lakhs rupees worth of insulators are lying idle because they are defective.

Sri B. D. JATTI.—When we calculate the loss, rejected articles are also taken into consideration.

Sri V. P. DEENADAYALU NAIDU.—Has it come to the notice of the Government that the factory is not entertaining private orders and private indents and is it not one of the reasons that the factory is unable to sell the stocks it produces?

Sri B. D. JATTI.—That is not correct. We have our agents and anybody can place an order on the factory through the agent or even directly, but we sell only through agents.

Sri K. P. GADAG.—May I know if there is any other porcelain factory in the State run by the private sector?

Sri B. D. JATTI.—I do not think so.

Sri G. B. SHANKAR RAO.—The reason given by the Chief Minister for the factory not reaching the targets is not convincing. The actual production is so less than the target. Why is this so?

Sri B. D. JATTI.—I explained the position. Perhaps the Hon'ble Member did not understand properly. The agreement with the firm was that from the date of the operation of the factory within a period of two years, we were to reach the target. As soon as a factory starts production, it is not possible to reach the target in a month or two or even an year. We were to reach the end of the second

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plan, but due to technical difficulties it was not possible. We are doing our best and that is the reason why the losses are being reduced year by year.

Sri G. VENKATAI GOWDA.—When you raise the target, may I know what is the expected percentage of income or is it that we will still incur losses even when you reach the target?

Sri B. D. JATTI.—When we reach the target, we will not sustain any losses.

Sri G. VENKATAI GOWDA.—What would be the expected percentage of income?

Sri B. D. JATTI.—That will have to be calculated afterwards. Now, it may be premature.

Sri GAJANAN PANDIT.—What is the proportion of the total stock to the total production?

Sri B. D. JATTI.—I have not worked out figures.

Sri GAJANAN PANDIT.—Have the Government made any efforts to sell it in the market so that stocks are reduced to the minimum?

Sri B. D. JATTI.—Just now an attempt has been made. That is why the stock has been brought down to 20 lakhs including current month's stock.

Sri C. J. MUCKANNAPPA.—In view of these huge losses, will the Government consider it desirable to keep one person permanently there instead of making persons fly here and there to look after so many concerns?

Sri B. D. JATTI.—The person who is in charge is permanently in charge. He is not flying from one place to another place Sir.

Dr. R. NAGAN GOWDA.—Sir, taking into consideration the gross income and the expenditure and if the accounts are maintained as in a Joint Stock Company would there be losses or profit during these years?

Sri B. D. JATTI.—Sir, this was explained last time when my Hon'ble friend was not present. the method of calculation which is followed in Government industrial concern is a little different from what is adopted in a purely private concern. That is a known fact. Again, depreciation is taken out of gross profit and 5 per cent interest is given to the Government. If we look into all these things, we may say that we are not sustaining any losses.

Sri C. K. RAJIAH SETTY.—Is it not a fact that when you entered into an agreement with NGK, it was a condition that before they left this factory, they would reach the expected rate of production? If so, how is it that production in 1959-60 went down to 1910 tons?

Sri B. D. JATTI.—On the day they left Bangalore at that time, according to my information the production rate reached 210 tons. But after they left, it was not possible for our people to keep up that standard of production.

Sri C. K. RAJAIH SETTY.—Merely calculating one month's production, is it not a hasty step on the part of the Government in having sent them away without stabilising the production for a period of three months or six months?

Sri B. D. JATTI.—At that time, it was thought that the persons who were trained under these people could maintain the same standards. Afterwards, it was not possible because we found that they were not trained to the degree to which we expected.

ಶ್ರೀ ಜಿ. ಎ. ಪುಟ್ಟಣ್ಣ.—ಜರ್ಫಾನಿಂದ ಬಂದ ಎಕ್ಸ್‌ಪರ್ಟ್ ಕೆಲವು ಮೆಷನರಿಗಳನ್ನು ಅಲ್ಲ ಎರಕ್ಸ್‌ಮಾಡಿ ಬಿಟ್ಟುಹೋದ ಮೇರೆ ಅದೇಫ್ಯಾಕ್ಟರಿಯಲ್ಲಿರತಕ್ಕ ಮೈನೇಜ್‌ಮೆಂಟಿನವರು ಇತರರು ಕೂಲಿಗಾಗಿ ಅವನ್ನು ಎಲೆಕ್ಟಿವಾಗಿ ಉಪಯೋಗಿಸಿ ಕೆಡಿಸಿದುದರಿಂದ ಆ ಫ್ಯಾಕ್ಟರಿಗೆ ನಷ್ಟವಾಗಿರುವುದು ತಮಗೆ ಗೊತ್ತಿಲ್ಲವೇ?

ಶ್ರೀ ಬಿ. ಡಿ. ಜತ್ತಿ.—ಅಲ್ಲನ ಮೆಷನರಿಗಳು ಹಾಳಾಗಿರುವುದರಿಂದ ಅಲ್ಲ ನಷ್ಟವಾಗಿರುವುದು ಎಂಬುದಾಗಿ ನಾನು ಕೇಳಿಲ್ಲ.

Sri G. VENKATAI GOWDA.—May I know whether there are any defectives in the manufactured products? if so, what is the percentage?

Sri B. D. JATTI.—Sir, there are rejections, The point is, we are increasing the target figure, Now it is not possible to increase the target figure without it.

Sri C. J. MUCKANNAPPA.—My question was not properly answered by the Hon'ble Chief Minister. I wanted to know whether the Joint Director who has supervisory control over the Porcelain Factory whether he is permanently looking after the concern exclusively and also the General Manager who has got the required technical qualification and experience, may I know what is the technical knowledge of the present General Manager and whether the Joint Director has got sufficient time to look after the factory to make it function smoothly and bring profits to the State?

Sri B. D. JATTI.—The Joint Director is capable of understanding technical matters in the Porcelain Factory and as I replied on several occasions, the General Manager is not expected to have any technical knowledge because he is only to look after the administration, Sir.

Sri J. B. MALLARADHYA.—The Hon'ble Chief Minister was pleased to give details of stock lying unsold as on 31-12-1960. He was pleased to say the value of the stock as 20 lakhs as against 49 lakhs. Will he agree with my figure?

Sri B. D. JATTI.—Immediately I have know figures with me. I will furnish it later.

Sri J. B. MALLARADHYA.—Will you agree with me that this stock of 25 lakhs remaining unsold will continue for ever because they will have no market value ? They are unsaleable in market ?

Sri B. D. JATTI.—Sir, I will have to look into the matter and if there is any defect, I will look in to that.

Sri J. B. MALLARADHYA.—Another matter is in the agreement between the Japanese firm and the Government of Mysore, there was provision for training the local people. After two years training, when our people were put in charge, production went down. They left in the month of January ; with in a month or two, production went down. What is the responsibility they took during the period they were in charge ?

Sri B. D. JATTI.—Sir, It was found out after they had left the country. Afterwards, we have corresponded with them and they have agreed to come back and train our people to the required standard.

Sri M. C. NARASIMHAN.—Is it the accepted policy of the Government to appoint or continue in service only non-technical people as General Managers in all Government Industrial Concerns ?

Sri B. D. JATTI.—No, Sir.

Sri J. B. MALLARADHYA.—Sir, the General Manager is a man who knows something about porcelain cups and saucers. Even there, he is not very succesful according to my past experience. Why is he put in charge of the manufacture of this highly technical affair namely the manufacture of insulators ? Let us have some gurantee for the future at least !

Sri B. D. JATTI.—That is also a point which it under the consideration of the Government. If he is not competent to continue we will put another person in charge of this, who is an expert.

SUPPLY OF METAL FOR HASSAN, MANGALORE, HULIYAR AND CHICKANAYAKANAHALLI ROAD.

*Q.—277. Sri K. P. REVANNASIDDAPPA (Tiptur).—

Will the Government be pleased to state:—

(a) the quarries from which an estimate had been prepared for supplying metal before the present collection of metal and boulder for Hassan, Mangalore, Huliya and Chikanayakanahalli Road ;

(b) the previous Schedule rates and whether the present quarries are approved ones and the rates of the previous tender ;

(c) whether tenders had been received and if so, what are the present rates and the tender conditions ;

(d) the names of the present contractors ;